

How Health Care Reform Works for Louisiana



Families

Why Louisiana Needs Reform

Ranked 51st in overall quality care

Over 20% of Louisianans are uninsured

18% of Louisianans report not visiting a doctor due to high costs

Louisiana families pay about \$12,000 a year for health insurance premiums, or about 30% of their income.

Louisiana has the **highest** cancer rate in the country

Louisianans also pay an average of \$4,000 a year in out-of-pocket costs

Life Expectancy is 49th in the country

More than half of all personal bankruptcies are due to medical expenses

One of the highest rates of heart disease in the country

By 2016, health insurance will cost families \$23,133, a 114% increase over 2006, which will consume 60% of family income.

How This Bill Helps

More Affordable Choices

Provides insurance choices for 900,000 Louisianians

Creates an online insurance market, or exchange, that gives Louisianians more health insurance choices, keeping insurers honest and driving down costs

Insurance Industry Reforms that Save Families Money

Will cap what insurance companies can require families to pay in out-of-pocket expenses, such as co-pays and deductibles, prohibit lifetime limits on benefits, and restrict the use of annual limits.

Preventative services are fully covered
Children can stay on their parents' plan through the age of 26

Ending Insurance Company Discrimination

Ends discrimination for pre-existing conditions
Ends discrimination based on gender and limits variation based on age

Makes it illegal for insurance companies to drop your coverage if you get sick

Premium Relief

Health insurance exchanges will make coverage affordable and accessible, and will provide premium tax credits based on families' ability to pay for coverage

For many, premium costs will be capped--no more than 10% for a family of four making up to \$88,000



Business

Why Louisiana Needs Reform

Louisiana's small businesses and self-employed entrepreneurs spent \$1.7 billion in healthcare premiums in 2008

Louisiana businesses and families shoulder a hidden health tax of \$900 per year on premiums as a direct result of subsidizing the costs of the uninsured

While small businesses make up 73% of Louisiana businesses, only 33% of them offered health coverage benefits in 2006

In Louisiana, of the 64% of small businesses who do NOT provide insurance, 87% say they can't afford it

In Louisiana, the top two health insurance companies dominate 77% percent of the small group insurance market

How This Bill Helps

Security and Stability that Promotes Entrepreneurship

Ends the discriminatory insurance practice of jacking up premiums because an employee gets sick or older, or because the business hires a woman

Small Business Affordability Credits

Provides tax credits to small businesses to make employee coverage more affordable

More Quality, Affordable Options

Reduces administrative costs for small businesses by enabling them to easily compare prices, benefits and quality of health plans
Allows regional exchanges, national plans and purchase of insurance across state lines which will encourage competition and increase choice in the small group market



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Government

Why Louisiana Needs Reform

The United States spent approximately \$2.2 trillion on health care in 2007

This year, the Louisiana economy will lose \$2-4 billion due to the shorter lives and poorer health of the uninsured

Nationally, the U.S. will spend **18% of the GDP** on health care this year

Health care costs doubled from 1996 to 2006, and are projected to rise to 25% of GDP in 2025 and 49% in 2082

Medicare is projected to go bankrupt by 2017

By 2025, Medicare and Medicaid will balloon to 7% of GDP

By 2019, an estimated \$141 billion will be spent on care given to people without health insurance, which states partially subsidize

How This Bill Helps

Senate bill is completely paid for and reduces the federal deficit by \$130 billion over the next decade

Strengthens Medicare and Reduces Premiums Without Cutting Benefits

The Senate bill will not cut benefits covered by the Medicare program. Instead, by eliminating waste, fraud and abuse, the bill increases benefits while strengthening Medicare

Helping State Budgets

By expanding coverage, the Senate bill will reduce State spending on treatments and emergency room visits by the uninsured

Job Creation to Spur the Local Economy and Generate State Tax Revenues

Investments in primary care clinics and community health centers will create jobs for health care providers and additional staff, generating local economic activity



Seniors

Why Louisiana Needs Reform

All Medicare beneficiaries pay the price of excessive Medicare Advantage overpayments, even the 78% of La. seniors not enrolled in a Medicare Advantage plan. A typical couple in traditional Medicare will pay \$90 in additional premiums next year to subsidize private plans

Roughly 116,000 Medicare beneficiaries in Louisiana hit the gap in Medicare Part D drug coverage that can cost some seniors an average of \$4,080 per year

Medicare is financially unstable, and will go bankrupt by 2017

Private insurers can drop seniors from insurance plans if they get sick, and the bills are too high

In addition to rising drug prices, seniors must pay out-of-pocket for important preventative care

How This Bill Helps

Lowers premiums by reducing Medicare's overpayments to private plans

Health insurance reform clamps down on these excessive payments.

Helping with Prescriptions

Reforms will provide a 50 percent discount for brand-name drugs in this coverage gap, lowering out-of-pocket expenses

Extending Medicare

Ensures Medicare is solvent by laying the groundwork for a more sustainable health system, and extending the life of the Medicare Trust Fund by 9 years.

Makes sure seniors get the best care the first time around by cracking down on preventable hospital readmissions.

Preventive services like wellness visits, mammograms and colonoscopies are **fully covered**

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